

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:) Case No. 19-40833-659
Payless Holdings LLC, *et al.*,) Chapter 11
Debtors.) Jointly Administered
) **Hearing Date:** March 14, 2019
) **Hearing Time:** 10:00 a.m. (Central Time)
) **Response Deadline:** March 14, 2019 at
) 10:00 a.m. (Central Time)
) **Hearing Location:** Courtroom 7 North

**DEBTORS' MOTION FOR ENTRY OF AN ORDER
(I) SCHEDULING AN EXPEDITED HEARING, (II) APPROVING THE FORM
AND MANNER OF NOTICE THEREOF, AND (III) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the "Debtors") respectfully state as follows in support of this motion (this "Motion"):

Relief Requested

1. By this Motion, and pursuant to sections 105, 361, 362, 363, 364, and 507 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 4001, 6004, 9006(c), and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 9013-2(A) of the Local Rules of Bankruptcy Procedure for the United States Bankruptcy Court for the Eastern District of Missouri (the "Local Bankruptcy Rules"), the Debtors seek entry of an order (a) shortening the notice period and scheduling an expedited hearing on the *Debtors' Motion to Quash Document Request of the Ad Hoc Group of Prepetition Term Loan Lenders, Motion to Shorten Time for Response, and Incorporated Memorandum in Support* [Docket No. 535] (the "Motion to Quash"), filed by the Debtors contemporaneously herewith, for **March 14, 2019 at 10:00 a.m. (Central Time)** and (b) granting related relief.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Eastern District of Missouri (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and Rule 81-9.01(B)(1) of the Local Rules of the United States District Court for the Eastern District of Missouri. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

3. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

4. The Debtors and their non-debtor affiliates (the “Company”) are the largest specialty family footwear retailer in the Western Hemisphere, offering a wide range of shoes and accessory items at affordable prices. The Company operates approximately 3,400 stores in more than 40 countries. The Debtors are headquartered in Topeka, Kansas, with extensive operations that span across the United States, Canada, Latin America, Asia, the Middle East and Europe.

5. On February 18, 2019 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. The Debtors’ cases are being jointly administered and have been consolidated for procedural purposes only. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases.

Basis for Relief

6. Section 105(a) of the Bankruptcy Code authorizes this Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a). Further, Bankruptcy Rule 9006(c) provides that the

Court, for cause shown, may in its discretion reduce the notice period normally required for motions. Finally, Local Bankruptcy Rule 9013-2(A) allows a hearing to be scheduled on an expedited basis “by written motion, setting forth the reason the matter should be considered on an expedited . . . basis.”

7. The Debtors request that this Court shorten the notice period and hear the Motion to Quash on an expedited basis. The Debtors have an immediate need to petition the Court to quash the discovery propounded upon the Debtors (the “Document Requests”) in connection with the *Debtors’ Application for Entry of an Order Authorizing the Retention and Employment of Akin Gump Strauss Hauer & Feld LLP as Counsel to the Debtors and Debtors in Possession Effective Nunc Pro Tunc to the Petition Date* (D.I. 33). As described in the Motion to Quash, the proponents of the Document Requests served irrelevant, overly broad, and unduly burdensome discovery upon Debtors and Akin Gump Strauss Hauer & Feld (“Akin Gump”) just three days before the hearing scheduled for consideration of the Debtors’ applications to retain Akin Gump and Seward & Kissel LLP as counsel, in a last-ditch attempt to derail the retention applications. It is in the best interest of the Debtors that the retention application hearing go forward as scheduled. To ensure that the hearings are not needlessly delayed, the Debtors request that the Document Requests be quashed.

8. Because the relief requested in the Motion to Quash is crucial to the Debtors’ operations and preserving value in the Debtors’ estates, an expedited hearing is warranted.

9. Courts in this district have granted similar relief concerning expedited consideration in other large chapter 11 cases. See, e.g., In re Armstrong Energy, Inc., et al., Case No. 17-47541 (Bankr. E.D. Mo. Jan. 31, 2018) (granting an expedited hearing on the debtors’ motion to seal); In re Abengoa Bioenergy US Holding, LLC, Case No. 16-41161 (Bankr. E.D.

Mo. June 16, 2016) (granting expedited hearing on debtors' motion to pay certain prepetition claims); In re Peabody Energy Corp., Case No. 16-42529 (BSS) (Bankr. E.D. Mo. Dec. 14, 2016) (granting an expedited hearing on to hear DIP repayment motion); In re Arch Coal, Inc., Case No. 16-40120 (CER) (Bankr. E.D. Mo. Aug. 11, 2016) (granting expedited hearing on debtors' motion to enter into a new insurance premium finance agreement).

Notice

10. The Debtors will provide notice of this Motion to: (a) the Office of the United States Trustee for the Eastern District of Missouri; (b) the holders of the 50 largest unsecured claims against the Debtors (on a consolidated basis); (c) counsel to the Prepetition ABL Administrative Agent, (i) Choate Hall & Stewart LLP (Attn: Kevin Simard, Douglas Gooding and Jonathan Marshall) and (ii) Thompson Coburn LLP (Attn: Mark Bossi); (d) counsel to the FILO Agent, Greenberg Traurig, LLP (Attn: Jeffrey M. Wolf); (e) counsel to certain Prepetition Term Loan Lenders (i) Kramer Levin Naftalis & Frankel LLP (Attn: Stephen D. Zide), (ii) Doster, Ullom & Boyle, LLC (Attn: Gregory D. Willard) (iii) Stroock & Stroock & Lavan LLP (Attn: Kristopher M. Hansen and Daniel A. Fliman) and (iv) Lewis Rice LLC (Attn: Sonette T. Magnus); (f) counsel to the Prepetition Term Loan Agent, Norton Rose Fulbright US LLP (Attn: Stephen Castro and David Rosenzweig); (g) the proposed Monitor, FTI Consulting Canada, Inc. (Attn: Paul Bishop, Greg Watson and Jim Robinson); (h) counsel to the proposed Monitor, Bennett Jones LLP (Attn: Sean Zweig, Kevin Zych and Aiden Nelms); (i) counsel to any statutory committee appointed in the chapter 11 cases; (j) the United States Attorney's Office for the Eastern District of Missouri; (k) the Internal Revenue Service; (l) the United States Securities and Exchange Commission; (m) the state attorneys general for all states in which the Debtors conduct business; and (n) any party that has requested notice pursuant to

Bankruptcy Rule 2002 (collectively, the “Notice Parties”). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

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WHEREFORE, the Debtors respectfully request that the Court enter an order granting the relief requested herein and such other and further relief as the Court deems just and proper.

Dated: March 13, 2019
St. Louis, Missouri

/s/ Richard W. Engel, Jr.

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Proposed Counsel to the Debtors and Debtors in Possession